

## Message Text

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ACTION AID-59

INFO OCT-01 EUR-25 NEA-14 IO-14 ISO-00 SP-03 EB-11 NSC-07

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 L-03

H-03 PA-04 PRS-01 USIA-15 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01 INT-08

FEA-02 AEC-11 DODE-00 FPC-01 PM-07 SAM-01 SCI-06 AF-10

AGR-20 SWF-02 PC-10 EA-11 IGA-02 DRC-01 /324 W  
----- 090882

R 091240Z MAY 74

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 0967

INFO US MISSION USUN NEW YORK 0353

AMCONSUL AMSTERDAM

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E.O. 11652 NA

TAGS: EAID, EAGR, CE

SUBJ: CONVERSATION WITH PRIME MINISTER: AID

GROUP MEETING; SPECIAL UN SESSION; AGRICULTURAL PROSPECTS

AMSTERDAM PASS MAC DONALD

1. BEGIN SUMMARY. PRIME MINISTER BANDARA-  
NAIKE TOLD AMBASSADOR SHE IS PLEASED WITH WORLD  
BANK REPORT AND HOPEFUL OF POSITIVE OUT-  
COME OF AID GROUP MEETING. SHE IS ALSO  
PLEASED ABOUT POSSIBLE US DEVELOPMENT LOAN  
AND HOPES SRI LANKA WILL ALSO BE BENEFICIARY  
OF SOME OF PROPOSALS FOR FOOD ASSISTANCE  
HIGHLIGHTED BY SECRETARY KISSINGER IN HIS  
RECENT UN SPEECH. PRIME MINISTER EXPRESSED  
APPRECIATION FOR US SUPPORTIVE ROLE RE SRI LANKA-  
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NEW ZEALAND FERTILIZER PROPOSAL, NOTING

FERTILIZER REMAINED IN CRITICALLY SHORT SUPPLY IN HER OWN COUNTRY. SRI LANKA AGRICULTURAL PROSPECTS FOR BALANCE OF 1974 SEEM BETTER THEN LAST YEAR ALTHOUGH CONSIDERABLE FOOD IMPORTS WILL STILL BE REQUIRED. END SUMMARY.

2. AFTER I DISCUSSED INTERNAL POLITICAL SITUATION WITH PRIME MINISTER BANDARANAIKE MAY 9 (REPORTED SEPTTEL), CONVERSATION TURNED TO FORTHCOMING AID GROUP MEETING, RECENT UNGA SPECIAL SESSION, AND SRI LANKA'S AGRICULTURAL PROSPECTS.

3. I NOTED RECENT WORLD BANK REPORT SEEMED TO BE BOTH FAIR AND FAVORABLE AND SHOULD PROVIDE POSITIVE SETTING FOR AID GROUP MEETING IN PARIS. PRIME MINISTER AGREED, SAYING SHE WAS PLEASED WITH REPORT AND ALSO WITH GENERALLY FAVORABLE RESPONSES TO LETTER SHE HAD SENT TO HEADS OF DONOR COUNTRIES SOLICITING ASSISTANCE. PROSPECTS FOR AID FROM UNITED KINGDOM STILL SEEMED SOMEWHAT UNCERAIN BUT, BY AND LARGE, DONORS APPEARED TO BE WELL DISPOSED TO HELP.

4. I TOLD PRIME MINISTER THAT I WAS PLEASED DEVELOPMENT LOAN FOR SRI LANKA WAS BEING INCLUDED IN OUR CONGRESSIONAL PRESENTATION THIS YEAR. IT WAS DESIGNED TO BE USED IN AGRICULTURAL SECTOR TO STIMULATE FOOD SELF-SUFFICIENCY. HER GOVERNMENT HAD BEEN INTERESTED IN THIS TYPE OF LOAN FOR SOME TIME AND I ASSUMED US REPRESENTATIVE AT PARIS MEETING WOULD MAKE SOME REFERENCE TO US INTENTIONS BUT I WANTED HER TO KNOW ABOUT IT IN ADVANCE. (SHE DID NOT INDICATE AWARENESS OF MAC DONALD-KANAKARATNE CONVERSATION, STATE 087679). PRIME MINISTER EXPRESSED APPRE-  
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CIATIONFOR THIS POSITIVE GESTURE, NOTING THAT AGRUCULTURAL SELF-SUFFICIENCY REMAINED HER NUMBER ONE PRIORITY.

5. I WENT ON TO SAY THAT I COULD NOT GIVE HER ANY SPECIFIC INDICATIONS OF LEVEL OF PL 480 ASSISTANCE THIS YEAR BUT I DID WANT HER TO KNOW THAT WE WOULD BE AS HELPFUL AS

POSSIBLE. PRIME MINISTER ASKED WHETHER EXPANDED WHEAT ACREAGE IN UNITED STATES WOULD RESULT IN MORE WHEAT FLOUR FOR SRI LANKA. I REPLIED THAT IT WOULD IMPROVE OVER-ALL SUPPLY SITUATION BUT AMOUNTS AVAILABLE FOR PL 480 ALLOCATIONS DEPENDED UPON NUMBER OF FACTORS, INCLUDING AMOUNT OF WHEAT AVAILABLE AFTER US DOMESTIC REQUIREMENTS WERE MET, FOOD RESERVES WERE REPLENISHED, AND ACCOUNT TAKEN OF FOREIGN COMMERCIAL SALES. NONETHELESS, I WAS PERSONALLY HOPEFUL WE WOULD BE ABLE TO MAKE CONSTRUCTIVE CONTRIBUTION TO SRI LANKA'S NEEDS IN CONTEXT OF SECRETARY KISSINGER'S SPEECH AT SPECIAL UNGA IN WHICH SECRETARY DECLARED US WAS PREPARED COOPERATE TO REBUILD FOOD RESERVES, ASSIGN HIGHER PRIORITY TO FOOD PRODUCTION, AND ATTEMPT TO INCREASE LEVEL OF FOOD AID.

6. PRIME MINISTER REPLIED THAT SHE HAD CAREFULLY READ SECRETARY'S SPEECH WHICH I HAD SENT HER, PARTICULARLY SECRETARY'S REFERENCE TO FOOD AND FERTILIZER. AFTER NOTING THE PORTIONS OF SECRETARY'S SPEECH TO WHICH I HAD JUST REFERRED, SHE HAD WRITTEN TO AMB KANAKARATNE TELLING HIM THAT, IN VIEW OF SECRETARY'S ASSURANCES, HE SHOULD REDOUBLE HIS EFFORTS TO OBTAIN ASSISTANCE. SRI LANKA HAD BEEN ONE OF COUNTRIES WHICH HAD BEEN ACUTELY AFFECTED BOTH BY PRICE INCREASES AND SCARCITY OF IMPORTED FOOD AND FERTILIZER AND THEREFORE LIMITED OFFICIAL USE

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CONTINUED TO BE IN URGENT NEED OF EXTERNAL SUPPORT.

7. I TOLD PRIME MINISTER THAT IT WAS MY PERSONAL OBSERVATION THAT ALTHOUGH THERE WAS GREAT DEAL OF TALK ABOUT ASSISTANCE FROM OIL-PRODUCING COUNTRIES, AND ALSO NUMBER OF SUGGESTIONS FOR FOOD ASSISTANCE, PROBLEM TO DATE WAS THAT NONE OF THESE PROPOSALS HAD BEEN TRANSLATED INTO CONCRETE ACTION OF TYPE WHICH BROUGHT PROMPT RELIEF TO COUNTRIES DIRECTLY AFFECTED. NONETHELESS, I WAS OPTIMISTIC ENOUGH TO HOPE THAT OUT OF LARGE NUMBER OF IDEAS AMY INTERNATIONAL MEETINGS THIS YEAR, NEW FORMS OF ASSISTANCE

AND COOPERATION WOULD EMERGE, BOTH IN THE  
FOOD AND ENERGY FIELDS. THIS CONNECTION,  
I RECALLED THAT US-INITIATED WORLD FOOD  
CONFERENCE WAS SCHEDULED TO MEET IN ROME  
IN NOVEMBER WHICH WOULD HOPEFULLY RESULT  
IN POSITIVE ACTION TO  
HELP RESOLVE PROBLEM  
OF INTERNATIONAL FOOD SHORTAGES.

8. I TOLD PRIME MINISTER THAT I HAD BEEN  
GRATIFIED TO NOTE THAT DURING UN COMMITTEE  
CONSIDERATION OF SRI LANKA-NEW ZEALAND  
FERTILIZER PROPOSAL, US, WHILE  
OFFERING SEVERAL AMENDMENTS, HAD BEEN  
ABLE TO SUPPORT PROPOSAL IN COMMITTEE  
STAGGE AND ALSO HAD PRESSED FOR PRIORITY  
CONSIDERATION AT CURRENT ECOSOC SESSION.  
PRIME MINISTER SAID SHE WAS VERY APPRECIATIVE  
OF US SUPPORT. (THANKA FOR HELPFUL AND  
TIMELY MESSAGES THIS PROJECT.

PWA9. IN RESPONSE TO MY QUESTION RE SRI LANKA'S  
FOOD PROSPECTS, PRIME MINISTER SAID RECENT  
RAINS HAD BEEN HELPFUL AND PROSPECTS  
LOOKED REASONABLY GOOD. IF CURRENT PRO-  
JECTIONS HELD, MAHA CROP PROBABLY WOULD  
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EXCEED 50 MILLION BUSHELS WHICH WAS APPRE-  
CIABLY HIGHER THAN 1973. CRITICAL  
PROBLEM WAS LACK OF FERTILIZER WHICH BADLY  
AFFECTED PROSPECTS FOR INCREASED PRODUCTION  
OF COCONUTS AND OTHER CROPS. IF MAHA  
YIELDS LIVE UP TO PREDICTIMPS, COUNTRY  
WOULD BE SUBSTANTIALLY BETTER OFF SO FAR  
AS RICE WAS CONCERNED. HOWEVER, COLLECTIONS BY  
PADDY MARKETING BOARD REMAINED DEFICIENT  
AND, IF THIS CONTINUED, GSL WOULD STILL  
HAVE TO USSRITS LIMITED FOREIGN EXCHANGE  
TO IMPORT RICE TO SERVICE THE RATION.  
VAN HOLLEN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGRICULTURAL DEVELOPMENT, PL 480, FOOD ASSISTANCE, FERTILIZERS, FOREIGN ASSISTANCE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GarlanWA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
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**TAGS:** EAID, EAGR, CE, UN, (BANDARANAIKE, SIRIMAVO)  
**To:** STATE  
**Type:** TE  
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